



Project for Sustainable Agriculture and Rural Development in Mountain Regions (SARD-M)

Assessment of SARD-M Policies in the Hindu Kush - Himalayas

Summary

**Kathmandu, Nepal
December 2006**

CONTACT

Regional Coordinator

Contact: Kamal Banskota

Address:

ICIMOD
G.P.O. Box 3226, Khumaltar
Kathmandu, Nepal

Tel: (+977) 1 500-3222

Fax: (+977) 1 500-3299, 500-3277

E-mail: kbanskota@icimod.org

Website: <http://www.icimod.org>

SARD-M Team

Contact: Takashi Takahatake

Address:

Economic and Social Development Department of the
Food and Agriculture Organization of the
United Nations (FAO)
Viale delle Terme di Caracalla 00153 Rome, Italy

Tel: (+39) 06 570-56246

Fax: (+39) 06 570-52004

E-mail: takashi.takahatake@fao.org

Website: www.fao.org/sard/sard-m

ACRONYMS

| | |
|--------|---|
| APP | Agricultural Perspective Plan |
| CIRDAP | Centre on Integrated Rural Development for Asia and Pacific |
| CCM | Committee of Council of Ministers |
| CHT | Chittagong Hill Tracts |
| CF | Community Forestry |
| FAO | Food and Agriculture Organisation of the United Nations |
| FYM | Farm-yard manure |
| FYP | Five Year Plan |
| IFAD | International Fund for Agriculture Development |
| IPMDP | Integrated Pest Management Project |
| GNH | Gross National Happiness |
| HK-H | Hindu Kush-Himalayas |
| ICIMOD | International Centre for Integrated Mountain Development |
| IUCN | The World Conservation Union |
| NTFP | Non Timber Forest Products |
| PF | Private Forestry |
| RMB | Renminbi |
| SARD-M | Sustainable Agriculture and Rural Development in Mountain Regions |
| SWOT | Strengths, Weaknesses, Opportunities and Threats |
| WSSD | World Summit on Sustainable Development |

Table of Contents

| | <i>Page</i> |
|---|-------------|
| Introduction | 1 |
| 1. Features of Development Intervention in the Hindu Kush - Himalayas | 6 |
| ▪ The Hindu Kush-Himalayas context | 6 |
| ▪ Features of development intervention | 7 |
| 2. Operational Steps of the Process | 15 |
| ▪ Selection of the entry points | 15 |
| ▪ Approach | 15 |
| ▪ Lessons learned | 16 |
| 3. Regional Synthesis: Lessons Learned, Recommendations and Proposals for Follow-up Activities | 17 |
| ▪ Lessons learned | 17 |
| ▪ Recommendations of the Project regional workshop | 18 |
| ▪ Proposals for follow-up activities | 19 |
| 4. SARD-M Policy Assessment in Bhutan | 22 |
| 5. SARD-M Policy Assessment in China (Sichuan) | 30 |
| 6. SARD-M Policy Assessment in India (Sikkim) | 36 |
| 7. SARD-M Policy Assessment in Nepal | 40 |

Introduction

The Policy Assessment on Sustainable Agriculture and Rural Development in the Hindu Kush-Himalayas (HK-H) is a part of the three-year Project (2005-2007) for Sustainable Agriculture and Rural Development in Mountain Regions (SARD-M). The Project has been led by the Food and Agriculture Organization (FAO) and aims to support the rural livelihoods of mountain peoples by facilitating the design, review, implementation and evaluation of relevant policy packages and institutional processes promoting SARD in mountain regions at global, regional, national and local levels.

This policy assessment seeks to address the first priority of the SARD-M Project: to assess the strengths and weaknesses of mountain policies, including social, economic, institutional and environmental aspects, in relation to Sustainable Agriculture and Rural Development principles.

Guided by the present political challenges, the policy assessments conducted in the framework of the SARD-M Project constitute **a contribution to developing the capacity on policy, institutions and processes for SARD-M** in the HK-H for decision makers, civil society representatives and local people alike.

In the Hindu Kush-Himalaya context, this task involved partnership between the FAO SARD-M Project and ICIMOD and four of its member countries, namely Bhutan, China (represented by Sichuan), India (represented by Sikkim) and Nepal.

The **objectives** were:

- To build an initial methodological framework to assess the policies and processes for SARD-M in the selected countries of Himalayas and
- Assess the strengths and weaknesses of the above policies, institutions and processes.

This summary first presents an **overall synthesis** of the four country policy assessments, which provides a more generalized understanding of past development policies, programmes, processes and institutions, etc., with specific focus on strengths and weaknesses of the past interventions and how to address them in SARD-M context. This discussion helps evaluate **weaknesses and strengths** of specific interventions, and their implications in terms of **lessons for the future**, and design **follow up** to the present series of assessments.

Secondly, it presents the major findings or highlights of **each country assessment** by presenting the findings largely in terms of bullet points rather than extended textual description. Readers can access the detailed reports, which form the basis of the present document, at the SARD-M Project Website address: www.fao.org/sard/sard-m. The summary focuses on the general background and setting of the country to place the studied sector in proper perspective. This is followed by comments on the sector/subject under review. There again details of policy processes, institutions are commented upon. The impacts as well as strengths and weaknesses of the interventions are listed. Finally, the lesson and future steps are briefly mentioned. It may be noted that information on these aspects are not uniformly available for all cases.

Acknowledgments

The SARD-M policy assessments in the Hindu Kush-Himalayas have been made possible through the hard work and efforts of a number of people. Firstly, a special thanks goes to Dr. Pema Gyamtsho, the first SARD-M Project focal point at ICIMOD, who was responsible for initiating and coordinating the policy assessment activities in the HKH. A sincere appreciation is also extended to Dr. Kamal Banskota, Dr. Narpal Singh Jodha and Dr. Bikash Sharma who worked to finalize the policy assessments and put together this summary report. Finally, we wish to express our great appreciation for the hard work and commitment of the following consultants who carried out the policy assessment work in each of the countries:

- Dr. Mahesh Banskota, Consultant Economist, Nepal
- Mr. Jas Raj Subba, Principal Director, Natural Resources Division, Sikkim, India
- Mr. Sangay Duba, Programme Director, Natural Resources Research Centre, Bajo, Wangduephodrang, Bhutan
- Dr. Luo Peng, Head, Ecology Division, Chengdu Institute of Biology, Sichuan, China

I. Features of Development Intervention in the Hindu Kush - Himalayas

1. The Hindu Kush-Himalayas Context

The greater Himalayan region sustains approximately 150 million people and has major impacts on the lives of three times as many people living on the plains and in the river basins below. Not only the world's highest mountain range, the Himalayan region is also the poorest and most complex. The region extends over 3,500 kilometres from Afghanistan in the west to Myanmar in the east, and ranges from the plateau regions of Tibet and other mountain areas of China in the north to the Ganges Basin of India in the south. The upland watersheds of Asia's eight major river systems – the Indus, Ganges, Brahmaputra (Yarlungtsanpo), Irrawaddy, Salween (Nu), Mekong (Lancang), Yangtse (Jinsha), and Yellow River (Huanghe) – originate in these mountains. The wealth of the Himalaya also lies in an immense diversity of flora and fauna and ethnic groups and languages. There are approximately 55 different mountain ethnic groups in the mountains of China alone, and estimates for the whole region would exceed 300 groups. Despite its rich cultural and biological diversity, the majority of people in this vast mountain region are abysmally poor and vulnerable to environmental, social and economic threats. Some pockets experience eight months of hunger or food deficit in a year. Such threats have allowed for discontent and conflict to simmer, erupting into on-going violence in several areas.



In the past, policy-makers neglected mountain areas, resulting in a general lack of understanding of the natural and human processes affecting these mountains and exclusion of mountain peoples from decision-making. The development interventions that were designed were often extensions of plains' solutions that narrowly addressed the symptoms rather than the causes, largely ignoring appropriate opportunities for development. However, the mountains provide a number of opportunities for mountain specific development and conservation that are increasingly providing a basis for reducing poverty and increasing sustainability. Despite the prevailing constraints in mountain areas, there exists immense potential to promote a chain of development activities, which can lead to the total well being of the people of these areas.

2. Features of development intervention

Before commenting on the specific agricultural and rural development policies in the four countries and their sensitivities or links to SARD-M, it is helpful to briefly describe the important features of development interventions on HK-H countries, which strongly influence the thinking and actions focused on SARD-M. These features (both positive and negative ones) are imbedded in the degree of sensitivity that development policies and programmes have towards the mountain perspective (i.e. the understanding and incorporation of essential elements of mountain specificities in policy decisions and implementation).

The **mountain specificities** that generally distinguish the mountain situation from mainstream (plain focused) situation are: limited accessibility, fragility, marginality, diversity, niche opportunities and human adaptation mechanisms.

In different HK-H countries, the **development interventions** (i.e. policies and programmes) are generally characterized by **missing a mountain perspective**. The issues involved and implications of this are summarized under Table¹ 1 that outlines the missing elements required for sustainable mountain development in the region.

It should be noted that the policy programme gaps summarized under Col. 2 are not uniformly found in all mountain areas of the HK-H region. Accordingly, some interventions are more sensitive to mountain specificities compared to others.

The main point to be emphasized here is that the broad features of development policy interventions vis-à-vis mountain specificities in HK-H countries can help in identifying and reviewing specific policy issues for SARD-M. The **indicative policy areas** include the following:

- In the context of agriculture: Agricultural development strategies with focus on investment and resource allocation priorities; Food security and resource access; Technological thrust (Research) and transformation of agriculture; Marketing, trade and high pay off options; Place of mountain agriculture in national context; Agricultural Resource base (natural resources) conservation, upgrading and usage planning; Land policies and land reforms; Organic farming and forestry-farming links are areas to be focused by development interventions.
- In the context of rural development: Rural infrastructural development and other support systems (physical and financial); Poverty and equity issues and priorities; Niche resources and opportunities and approaches to harness the same; Special programmes for rural areas; Human resource development, capacity building and people's participation (including decentralization); Inter-sectoral and rural-urban links (farming, forestry, fisheries, etc.); Future strategies in the context of globalization and sustainable development are important areas of public intervention, with considerable overlap with the ones listed under agriculture.

¹ Table 1 is based on the observations and information culled out from various studies carried out by ICIMOD and other agencies as well as governments' planning documents and project reports. See Jodha, N.S. (1997) "Mountain Agriculture", (Chapter 14) in Mountains of the World – A Global Priority, (eds.) B. Messerli and Jack D. Ives. Parthenon Publishing, New York and London.

Table 1 - Part A: Indicative details of development interventions in HK-H countries with reference to inaccessibility

| Inaccessibility as a Policy-Programme Context | Broad Attributes and Orientation of Interventions | Sustainability Related Consequences/Implications |
|---|---|---|
| <p>Dimensions</p> <p>a. External links</p> <p>b. Internal isolation/distances</p> <p>c. Means of communication, movement</p> <p>d. Issues of social access</p> | <p>Dominant Pattern</p> <ol style="list-style-type: none"> 1. Road construction (in all HK-H countries) with primary focus on harnessing niche resources (e.g. hydropower, irrigation, minerals, timber, tourism). 2. Border security roads (in China, India, and Pakistan). 3. Major national highways – as national needs. 4. General disregard of areas not satisfying (1 to 3) and with difficult terrain and scattered small populations. 5. Limited attention to alternatives (ropeways, improved donkey tracks, etc.). 6. Little concern for side effect on fragile slopes; technologies for mountain roads. <p>Emerging Trends</p> <ol style="list-style-type: none"> 7. Rising concern for 'green roads'; slope stabilization and technologies suited for mountain terrains (in Nepal, China). 8. Community pressures and emerging market needs (due to globalisation) for better communication and link roads (with donor support in smaller countries). 9. Initiatives promoting Internet-connectivity in various parts of all countries. <p>Key Constraints</p> <ol style="list-style-type: none"> 10. Lack of appropriate technologies; high costs and lack of resources, and environmental concerns. | <p>Enhanced Flows, Range/Quality of Options</p> <ul style="list-style-type: none"> ▪ Positive side effects (of 1-3) only where ancillary investments/ facilities available (e.g. Himachal Pradesh, India; Karakoram area in Pakistan; Hunnan Province China; major valley areas in other countries). ▪ Persistent loss of potential opportunities/options due to (4). ▪ High expectation from (7-9) in enhancing environmentally safe options and opportunities. ▪ Rising economic inequalities between accessible and poorly accessible areas. ▪ Persistent unequal highland-lowland economic links due to (4 & 1). <p>Resource Depletion</p> <ul style="list-style-type: none"> ▪ Frequent and increased landslides, disruptions etc. in most cases due to (6). ▪ Over-extraction of niche resources due to (1). |

Part B: Indicative details of development interventions in HK-H countries with reference to fragility

| Fragility as a Policy-Programme Context | Broad Attributes and Orientation of Interventions | Sustainability Related Consequences/Implications |
|---|--|---|
| <p>Dimensions</p> <p>a. Bio-physical fragility (steep slopes, delicate eco-system features)</p> <p>b. Social fragility (delicate institutional arrangements against vulnerabilities)</p> | <p>Dominant Pattern</p> <ol style="list-style-type: none"> 1. Frequent references in policy-planning documents; disregard in actual interventions (e.g. resource intensification/disturbance promoted or permitted in agriculture, infrastructural development, mining, etc.). 2. Extension of cropping to fragile slopes under local food self-sufficiency/grow more food programmes, etc. (in all countries). 3. Extension of intensive agricultural technologies (disregarding diversification-led resource conservation/regeneration); promotion of intensive cash cropping on better lands pushing staple crops to steeper slopes. 4. Over grazing, over extraction of NTFPs and other products of fragile areas. 5. Disregard of traditional institutional arrangements and conservation practices by formal administrative, technological, institutional interventions. <p>Emerging Trends</p> <ol style="list-style-type: none"> 6. Mainly alarmed by negative impacts on downstream areas (e.g. silting of dams), and pressures and incentives built at national/international level, gradual emergence of new initiatives such as bio-sphere reserves, protected areas, rehabilitation of upland slopes, a forestation, etc. 7. Recognition and pleading for community empowerment; decentralization, recognition and use of indigenous knowledge and systems. 8. Recent restrictions on deforestation in most of the countries (preventing cropping beyond certain degree of slope in China). 9. Following of globalisation enhanced pressure on high value products/resources (e.g. herbs). | <p>Enhanced Flows, Range/ Quality of Options</p> <ul style="list-style-type: none"> ▪ Temporary/short term increased flows with reduced extent of resource protective options due to (1-4). ▪ Erosion of time tested adaptation options against risks/vulnerabilities (due to 5). <p>Resource Depletion</p> <ul style="list-style-type: none"> ▪ Rapid, often irreversible erosion of resource base; reduced potential productivity due to (1-5). ▪ Decline of practices/ processes to conserve/ regenerate resources while using them due to (5). ▪ Emergence of promising new initiatives in terms of resource conservation/ regeneration (6-8). ▪ Herbal extraction rising at alarming rate. |

Part C: Indicative details of development interventions in HK-H countries with reference to marginality

| Marginality as a Policy-Programme Context | Broad Attributes and Orientation of Interventions | Sustainability Related Consequences/Implications |
|--|--|--|
| <p>Dimensions</p> <p>a. Bio-physical marginality (linked to fragility, inaccessibility) offering risky limited production options</p> <p>b. Socio-economic marginalities resulting from (a) vis-à-vis main stream society/ economy reflected by:</p> <ul style="list-style-type: none"> - Place of mountain areas in dominant national context; invisibility/ disregard of mountain concerns; - Voicelessness/low capacity and contesting capacity of mountain communities. - Status of indigenous practices/systems in relation to formal arrangements. | <p>Dominant Patterns</p> <ol style="list-style-type: none"> 1. Reduced physical marginality in limited areas through provision of irrigation, access, new production possibilities (all countries). 2. Recognition of special situation of mountains for liberal funding, subsidies (e.g. to hill states as "special category states" (India); mountain counties as key focal areas under "national poverty alleviation strategies", "developed county-mountain county partnership programme"; (China); mountains at the centre of national policies of Nepal; mainly indirect approach through "support-freedom" to NGOs in Pakistan; renewed development focus on CHT following peace accord in Bangladesh; any national development policy is mountain policy, Bhutan). 3. Inequity of highland – lowland economic links, not addressed. 4. Despite untied resources and relative freedom/autonomy to hills, development interventions follow patterns of interventions in non-mountain areas (e.g. project components, implementation, delivery system (all countries). <p>Emerging Trends</p> <ol style="list-style-type: none"> 5. Increased attention to mountain areas (e.g. resource conservation) following downstream concerns (floods, silting of dams, bio-diversity based industries, potential gains from globalisation, etc.) in India, China, Pakistan and Nepal. 6. Social-sector services to enhance local capacities, decentralization programmes (using mainstream perspectives) to de-marginalise mountain communities, important NGO initiatives. 7. Post-Rio global focus on mountain crisis and contributions. | <p>Enhanced Flows, Range Quality of Options</p> <ul style="list-style-type: none"> ▪ Increased options/supplies and reduced risks/vulnerabilities due to (1) and partly due to (2). ▪ Reduced extent of flows and options and related gains due to (3-4). ▪ Local capacity building and other initiatives as yet more formal and limited to be able to initiate socially sustainable processes (6). ▪ Economic globalisation likely to accentuate (3), (4) and promote "exclusion" of marginal groups. <p>Resource base depletion</p> <ul style="list-style-type: none"> ▪ Resource-depleting potential of (3-4). ▪ Possibility of improved resource management due to (5 and 7). ▪ Focus on large-scale environmentally insensitive projects continues despite protests. |

Part D: Indicative details of development interventions in HK-H countries with reference to diversity

| Diversity as a Policy-Programme Context | Broad Attributes and Orientation of Interventions | Sustainability Related Consequences/Implications |
|--|---|---|
| <p>Dimensions</p> <p>a. Diversity as most central feature reflecting variations in each mountain specificity.</p> <p>b. Heterogeneity at macro scale (i.e. different ecological/bio-physical zones).</p> <p>c. Variabilities at sectoral, micro-operational levels in terms of suitability and limitations of specific activities.</p> <p>d. Differing degrees of interlinkages between different mountain specificities.</p> <p>e. Socio-cultural diversities (i.e. ethnic groups; spatial locations/ habitations), differing local perspectives/ practices.</p> | <p>Dominant Patterns</p> <ol style="list-style-type: none"> 1. Broad recognition of the importance of ecological or climate criteria, or of dominant activities-based zones for identifying intervention areas (e.g. high land pastures, horticulture belt, etc. in most countries). 2. Diversities at micro-operational levels, even if recognized, rarely incorporated development activities, i.e. "plurality" of situations ignored while introducing standard type of approaches in keeping with the dominant plain-perspectives of decision makers. 3. The 2 applies to agricultural programmes /technologies, social services, capacity building, etc. 4. General disregard of diverse nature of mountain areas; mountain communities' diversification strategies ignored; government departments' fragmented structure further reduce the chances of integrated approach to address diversities. 5. Ethnic/cultural entities recognized but development approaches/interventions often bypass them and their knowledge systems. <p>Emerging Trends</p> <ol style="list-style-type: none"> 6. In some countries, in mostly donor-supported projects, there is a slowly rising awareness about both physical and social diversities of mountains and their application 7. Pressures and initiatives directed to decentralization, participatory approaches and community empowerment that are conducive to recognizing and responding to diversities. 8. Under globalisation, there is likely to be an increased disregard of the imperatives of diversities. | <p>Enhanced Flows, Range/ Quality of Options</p> <ul style="list-style-type: none"> ▪ Disregard of diversities and diversification at operational levels reduces the range and quality of options, enhances risks and vulnerabilities due to (2-4). ▪ Limited relevance and effectiveness of generalized/uniform interventions and associated loss of traditionally evolved options due to (2-4). ▪ Positive changes expected from (7). <p>Resource Depletion</p> <ul style="list-style-type: none"> ▪ Reduced resource conservation, regeneration opportunities promoting unsustainability prospects through (2-4). ▪ Loss of traditionally evolved knowledge/experiences to harness diversities through diversification approaches (due to 5 and 6). ▪ Driving forces/ mechanisms of globalisation likely to promote intensification, resource depletion. |

Part E: Indicative details of development interventions in HK-H countries with reference to mountain niche

| Mountain Niche as a Policy-Programme Context | Broad Attributes and Orientation of Interventions | Sustainability Related Consequences/Implications |
|---|---|--|
| <p>Dimensions</p> <p>a. Major natural resource endowments: fresh water, hydropower potential, minerals, timber, unique bio-diversity, etc.</p> <p>b. Small niche products (herbs, other NTFPs, etc.).</p> <p>c. Traditional knowledge systems (adaptations to mountain specificities, with rationale usable in modern development policies/ technologies).</p> | <p>General Patterns</p> <ol style="list-style-type: none"> 1. Strong focus on harnessing major mountain niche largely for meeting mainstream/downstream needs, with limited local gains (in most countries). 2. Unrealistic pricing of niche resources, limited compensation to mountains for their resources, environmental services, social displacements and environmental damages. 3. Unequal highland – lowland links unfavourable to mountains. 4. Primary focus on extracting natural endowment with limited man made efforts/investments to strengthen niche. 5. Limited attention to micro-niche products (gathered often by community/ poor), huge market-margin in trade; little regulation/restriction on over extraction. 6. Due to promotion/imposition of formal science/management /administration - based interventions, there has been a marginalisation and disregard of indigenous knowledge systems that has evolved through people’s direct contact with mountain problems and opportunities. <p>Emerging Trends</p> <ol style="list-style-type: none"> 7. Unless guarded against the above (1-6) tendencies likely to accentuate with economic globalisation. 8. Rising NGO and community voices against: over extraction of niche, non-pricing and non-compensation for environmental services and disregard of indigenous knowledge systems. 9. Environmental concerns getting higher place in global agenda (e.g. case of large dams). 10. Local pressures for higher compensation for mountain resources used by the mainstream economy. | <p>Flows and Range/Quality of Options</p> <ul style="list-style-type: none"> ▪ Limited benefits and compensation for mountain communities/ states for extraction of the niche due to (1 and 2) ▪ Low gains due to poor compensation, high marketing margin and unfavourable terms of trade due to (3, 4, 5 and 7). <p>Resource Depletion</p> <ul style="list-style-type: none"> ▪ Over extraction of resources, with little regulation due to (1, 2, 3, 4 and 5). ▪ Loss of valuable indigenous knowledge systems due to (6 and 7). ▪ Globalisation may accentuate over extraction of resources and loss of valuable indigenous knowledge systems. ▪ Rising expectation about change in over extraction of resources and loss of valuable indigenous knowledge systems due to (8 and 9). |

Part F: Indicative details of development interventions in HK-H countries with reference to human adaptations

| Human Adaptations to Mountain Conditions As a Policy-Programme Context | Broad Attributes and Orientation Intervention | Sustainability Related Consequences/Implications |
|--|---|--|
| <p>Dimensions</p> <p>a. Traditional institutional and technological practices (e.g. collective risk sharing, common property resources, folk agronomy, etc.) evolved for sustenance under generally harsh and high risk, low productivity environment.</p> <p>b. Focus on diversification, resource regenerative practices/ measures.</p> <p>c. Two-way adaptations: adapting demand to local resource capacities and amending resources to demand where possible.</p> <p>d. Regulating demand through population control, migration, etc., regulating resource use by limiting supply.</p> | <p>General Patterns</p> <ol style="list-style-type: none"> 1. No known mainstream policies on this subject, except some donor and NGO-driven projects. 2. Erosion of traditional arrangements/systems due to close integration (at the physical, administrative and economic levels) with the mainstream. 3. Promotion/extension of modern, formal arrangements for their high performance. 4. Market and state promoted demand driven resource use system replacing the one determined by supply-limitations. 5. Generalised approaches ignoring ethnic, cultural and other specific differences/arrangements. <p>Emerging Trends</p> <ol style="list-style-type: none"> 6. With market-driven globalisation process likely further marginalisation of traditional systems. 7. Emerging evidence, advocacy and revival of traditional arrangements by NGOs, etc. 8. Identification of elements of traditional systems for upgrading and incorporation into modern systems, specially technologies and resource management, increasing interest of researchers. | <p>Enhanced Flows, Range/ Quality of Options</p> <ul style="list-style-type: none"> ▪ Reduced efficacy/ feasibility of traditional measures suited more to low population, subsistence contexts (3-5). ▪ Decline of traditionally evolved institutional defences against risks/vulnerabilities (1-5). ▪ Reduced self-controlled, locally-evolved options. <p>Resource Depletion</p> <ul style="list-style-type: none"> ▪ Disregard/marginalisation of resource regenerative/ protective practices (3-4). ▪ Loss of links between locally relevant measures against diverse mountain specificities (3-4). ▪ Disintegration of organically interlinked/ diversified land based activities (1-5). |

However, the country teams strongly felt that in the past decade, several of these self-suggestive issues or concerns have been directly or indirectly incorporated in different agricultural and rural development policy-programmes in HK-H countries without formally referring to SARD framework, which did not exist at that time. Accordingly, it was agreed to pick up specific agricultural development policy-programmes in each country that tends to reflect on SARD-M components.

Development History and SARD-M Focus

As SARD-M originated much later than the development processes and structures originally initiated mostly during 1950s and 1960s, every aspect and approach focused by SARD-M could not find place in the policy-programme assessed by different countries. Besides, the clarity and precision with which issues are identified by SARD-M approach may be missing in different policy-programme components assessed by the country case studies.

In fact over last four to five decades, agricultural and rural development efforts (through central planning, etc.) have evolved their own culture (i.e. processes and mechanisms to conceive and design development activities, their financial and institutional support systems) with the State taking up responsibilities of development and promoting top-down approaches with little sensitivity to people's perspectives, skewed structure of development priorities, etc. At the same time, in theory, a number issues focused by SARD-M such as enhanced agricultural production, poverty reduction, focus on equity and gender concerns as well as natural resource conservation, etc., do find place in the conventional development approaches. However, in terms of genuine priorities and effective implementation some of them (e.g. equity, gender, livelihood complexes, balancing production and conservation needs, etc.) got sidetracked due to narrow growth-oriented focus of the interventions.

II. Operational Steps of the Process

1. Selection of the entry points

The country teams tried to identify specific agriculture and rural development policies or programmes in their respective countries, through which their efforts to achieve SARD-M could be assessed and useful lessons for the future could be identified.

Specific sectors or subjects covered by development interventions were identified in the four countries, through which the country's policies, institutions and processes for SARD-focused interventions and priorities could be assessed.

Based on the discussions with the identified researchers, the following policy topics were chosen as entry points:

- Bhutan – Land Use Policies for SARD
- China – Agriculture and Rural Development Policies for Mountain Areas
- India, Sikkim – Horticulture as a Driver of Rural Development
- Nepal – The Agricultural Perspective Plan (APP)

Most of the selected policies provide insights on the overall process of agriculture and rural development and their underlying processes and mechanisms rather than focusing on specific SARD-M policies.

2. Approach

With some country-specific or subject-specific differences, the broad methodological approaches followed by the country teams included examination of available government reports/records, discussion with various agencies dealing with planning and implementation of policy-programme interventions, research studies and expert reports on the subject and interaction with communities or grass roots level stakeholders.

While analyzing and reporting on these subjects, the teams focused on general features of the interventions through the lens of policy processes. This is supplemented by identification and assessment of specific thrusts (i.e. the issues flagged by SARD-M approach).

National consultations

National consultations were held to discuss assessment findings and recommendations.

The National Consultation Workshop for Nepal was held in Kathmandu in March 2006 and attended by representatives from governments, civil society organizations and development agencies. They also included some of the original authors as well as implementers of APP. The main consensus reached at this workshop was that while the APP was overall provided a good framework for agricultural development, the main bottleneck was the lack of coordination and the capacity of the concerned agencies to implement the programmes in the field.

In April 2006, the Sikkim National Consultation Workshop was held in Gangtok and was also attended by the Regional Focal Person from ICIMOD. The workshop brought together stakeholders from different government agencies and provided a platform for them to review not only past achievements in rural development of the State, but also to discuss the emerging policy thrusts, such as organic farming. It brought to fore the wide gap between policy enactment and implementation on the ground. In general, there was consensus that policies are formed without proper scientific evidence or adequate consultation with those who are affected by it. A case in point was the policy of grazing exclusion from forests in the national parks and protected areas,

which does not work as herders are not provided with viable alternatives. The lack of coordination among various sectors in the process of formulating and implementing policies were flagged as major constraints.

The National Consultation Workshop for Bhutan was held in June 2006 at Bumthang and was attended by officials from different line agencies. Mr. C.N. Anil, Associate Coordinator of ICIMOD-IFAD Project on Supporting Sustainable Livelihoods, represented ICIMOD. The workshop reaffirmed the need to revise the Land Act 1983 and highlighted the contradictions between provisions of the Land Act and the Forest and Nature Conservation Act. It also noted the strong biases in the policies towards conservation of natural resources vis-à-vis utilization for socio-economic upliftment of rural people. It also flagged the need for addressing emerging land use issues such as the dynamics of land markets in the face of increasing urbanisation.

In China (Sichuan), inter-agency consultations/interactions formed the dominant form of building information base and assessment of emerging policy changes and processes. A higher degree of decentralization and special focus on development of South-western regions of the country were specifically noted.

Regional workshop

Following the consultation workshops, the policy assessment papers were further revised and the gists of these second drafts were presented at the Regional Workshop on SARD-M in the HK-H region held in Kathmandu from 17-18 July 2006. The workshop was attended by senior policy makers and representatives of civil societies, and international organizations such as the FAO Regional Office for Asia and the Pacific, Bangkok; the Centre for Rural Development of Asia-Pacific (CIRDAP), Bangladesh; IUCN Nepal; and some bilateral development agencies.

During the two-day workshop, the participants discussed the findings of the case studies from the four countries, shared some regional experiences. Working group sessions were conducted to identify strengths and weaknesses of policies and processes among the different countries. The workshop also included a session on validating recommendations and follow-up to the studies at regional and national levels.

3. Lessons learned

The biggest issue raised by all the researchers was on the **difficulty of separating SARD policies from other policies** as they all overlap and influence the impact of one another. For example, in the case of China, biggest impacts on rural development and living standards were brought about by population and labour regulation policies rather than agriculture and rural development policies *per se*.

The researchers were asked to **take a broad approach** and wherever possible, to extend the studies to cover national policies that are not unique to mountain regions alone, but still have a profound impact on mountain communities and their environments.

III. Regional Synthesis: Lessons Learned, Recommendations and Proposals for Follow-up Activities

Lessons Learned

The case studies conducted in four countries show various similarities and differences not only in terms of the specific sector chosen to reflect on the SARD-M issues focused by the project, but also on the development backgrounds and convergence between conventional development policy interventions and the approaches promoted by SARD framework.

Gaps

While the **understanding and adapting to the imperatives of mountain specificities**, bio-physical and social conditions of mountain areas is a key to facilitate SARD-M, practically all the countries have **neglected** mountain specificities in the design and implementation of development interventions. The areas and sectors that are exceptions to this trend have shown better performance in terms of addressing SARD-M.

In spite of the above limitation, the conventional agricultural/rural development interventions have addressed, at least partially, the concerns of SARD-M. To appreciate the linkages between conventional development policies and approaches and the imperatives of SARD-M framework, it will be useful to understand the conventional development approaches as well as mechanisms and institutional structures.

Due to past practices and backgrounds, the **principles of the SARD-M framework are still not fully addressed**, despite a **visible degree of awareness** of the importance of involving primary stakeholders in planning, designing and implementing interventions and the need for a cross-sectoral approach. The assessments reveal a continuing **weakness in the capacities** to act upon this awareness, partly due to the past practices and systems of priority setting and integration of relevant activities and decisions. Of course, the inter-country differences are also quite clear when different assessments are compared.

The other important similarities between different case studies, especially with reference to components of SARD-M framework, would include:

- Gaps between planning and implementation of interventions.
- Ad hocism in the shaping and timing of interventions, as opposed to a more systematic approach to policy and programme.
- A low degree of inter-agency coordination in development planning and implementation.

Positive aspects

While studying the above relatively negative features, it was also learned that the past rigidities, lack of coordination and decentralization are diminishing and the use of participatory processes that integrate environmental, economic, social and cultural dimensions of change is gradually picking up. This signals an **important beginning in more clearly and effectively incorporating SARD-M principles, i.e. cross-sectoral, integrated, multistakeholder and participatory policy formulation and implementation**, in agricultural and rural development policies.

While appreciating this healthy change, however, it was also realized as a key lesson that since the **macro-level approach** to SARD-M, with all its positive attributes, has **some operational limitations**, it is being increasingly supplemented by **micro-level initiatives**, which help to encourage community involvement and ensure focus on a bottom-up approach. This view is

supported by some micro-level action research initiatives undertaken by ICIMOD and its partners in the HK-H countries.

Examples of micro-level action research initiatives

- *Women, energy and water in the Himalayas*, which simultaneously and effectively addressed the issues of sustainable use of natural resources involving participatory and gender equity promoting approach leading to enhanced range and quality of livelihood options in selected areas of Bhutan, India and Nepal. Some of the concerned governments, impressed by their success, are trying to up-scale this approach as an example of SARD-M.
- *Honeybees in the Himalayas: Promoting Partnership with Rural Development Organisations in the Region*, simultaneously addressed the protection and promotion of Himalayan honeybees for enhanced livelihoods as well as environmental conservation in Afghanistan, Bhutan, China, India, Nepal, and Pakistan. Both national agencies as well as the international ones (e.g. FAO, GEF, UNEP, etc.) have associated with the follow-up to the lead offered by the above work.
- *Trans-boundary biodiversity conservation initiatives in Kangchenjunga landscape* involving Eastern Nepal, Sikkim and Darjeeling and Western Bhutan, where local communities and agencies are involved to conserve biodiversity and simultaneously improve local livelihood opportunities.

Many more examples could be added to this list, which suggest that SARD-M could be effectively promoted and up-scaled by using micro-level concrete issues as complements to macro-level approaches.

Recommendations of the Project Regional Workshop

The important - at times overlapping - **concerns and suggestions** that found frequent mention in assessments and during the SARD-M Project Regional Workshop in the HKH, attended by senior policy makers, representatives of civil society, international organizations and some bilateral development agencies, are listed below:

| Policies | |
|---------------------|--|
| 1. | Use Gross National Happiness as promoted in Bhutan, a concept of development that shares similar features to the SARD-M approach, as a possible path for SARD-M once it is put into a concrete usable form. |
| 2. | Introduce a more systematic approach to policy formulation using an integrated framework for SARD-M policy-programme formulation / promotion / evaluation, rather than depending on largely ad-hoc approaches. |
| 3. | Promote awareness, understanding and use of the mountain perspective framework as a tool for designing and implementing SARD-M policies, and for identifying priority areas and groups. |
| 4. | Give higher priority to human resource development, equity and women's issues to make SARD-M policies more inclusive. |
| 5. | Develop effective and equitable market links (especially with the lowland economy) to ensure developmental gains for mountain people. |
| 6. | Focus greater attention on the less-explored issue of supplementing macro approaches with micro-level initiatives and their up-scaling. |
| Institutions | |
| 7. | Enhance capacities and coordination of public sectoral agencies/departments dealing with SARD policy making and implementation as an important requirement for SARD-M. |
| 8. | Empower mountain people through education, strengthening bargaining capacities and needed autonomy to enhance SARD-M. |
| 9. | Reduce duplication and turf-wars through functional coordination and complementarities between different agencies including government departments. |
| Processes | |
| 10. | Create a comprehensive database and analytical studies to assist sound and integrated policy making for SARD-M. |
| 11. | Enhance interactions between stakeholders at different levels to better balance top-down and bottom-up approaches and processes required to promote SARD-M. |
| 12. | Reform institutions to enhance local participation in policy making/ implementation, implying genuine decentralization. |
| 13. | Upgrade local/grassroots level awareness and capacity building to improve involvement of local stakeholders/communities in policy-programme formulation and implementation through a bottom-up approach. |
| 14. | Rationalise resource allocation and investment priorities for mountains vis-à-vis lowland economies, with clear understanding of mountain specificities. |
| 15. | Improve resource mobilization to reduce donor-dependency and harness public-private complementarities in promoting SARD-M. |
| 16. | Strengthen mutual sharing and systematic synthesis of past development/policy intervention experiences and build the future approaches based on successful experiences to make the SARD-M approach more dynamic and effective. |

Proposals for Follow-up Activities

The country reports as well as the regional workshop deliberations identified a range of follow-up actions at regional and national levels. The workshop participants prioritized these activities to be taken up as follows:

Regional

- Build stakeholders' capacity at different levels of government in policy processes including formulation, analysis, negotiation and advocacy;
- Identify and put into operation methodologies/approaches for policy formulation that integrate micro-level issues and concerns into macro-level policies;
- Conduct more in-depth institutional analysis in all four countries to identify mechanisms to make policy development and advocacy more inclusive;
- Empower mountain people in the identification of problems and issues and in negotiating skills;
- Sensitise local government officials, elected bodies, civil societies, lobby groups and farmers' cooperatives in understanding and promoting good SARD policies;
- Establish mechanisms for experience sharing in the region particularly in the replication of successful enterprises based on niche mountain products;
- Facilitate south-south exchange of expertise in various mountain development fields and enterprises;
- Establish a virtual network for sharing experiences, views and concerns on mountain issues;
- Build the future approaches based on successful experiences to make the SARD-M approach more dynamic and effective.

National

Bhutan

- Conduct further studies on land markets, taxation and administration systems as an essential input towards developing and implementing a more holistic land use policy and an equitable land reform agenda.
- Assess the capacity building needs of elected officials and local governments and develop and implement a training programme.

China – Sichuan Province

- Conduct study to assess policy making and implementation processes in Hengduan ranges.
- Conduct a Sichuan provincial level consultation workshop (with participation from central government agencies) to discuss the findings of the assessment (the consultation workshop was not carried out before the regional workshop).

India – Sikkim State

- Identify and document successful horticulture-related enterprises and establish cooperatives and groups for up-scaling production and marketing.
- Conduct a study to assess land tenure, inheritance and fragmentation issues and propose options for their resolution.
- Conduct a detailed feasibility study for 'going organic', which is the adopted policy of the State, identifying potential products as well as measures to tackle constraints and barriers.

Nepal

- Study the opportunities for adopting organic farming under the framework of the Agricultural Perspective Plan.
- Study the impact of the removal of fertiliser subsidies with particular reference to the implications for food security..

For the SARD-M Project at a global level

The list of indicative concerns and associated action presented in the preceding sections, though important are numerous to facilitate concrete steps. Hence, to enhance their operational use some integration of issues prioritization will be necessary. An effective way to attempt prioritization is to look at the issues from multiple but relevant perspectives or lenses (e.g. stakeholder lens, institutional lens, environmental lens, public-private partnership lens, macro-micro complementarity lens, etc.).

To achieve this, the following steps could be recommended:

- Promote **action on operationalisation of SARD-M framework** to help enhance planning and implementing capacities and participation of stakeholders at different levels. This could include approaches to incorporate mountain specificities and practical ways to balance bottom up and top-down approaches, a need voiced by all case studies and workshop recommendations.
- **Approaches and measures to enhance awareness and capacities of communities** to participate and contribute to SARD-M at local and higher levels.
- Using **inter-country experiences**, help in developing practical approaches and tools to promote **better inter-agency coordination** to design and implement SARD-M interventions.
- Recognising the critical role of **emerging environmental** (like energy, bio-diversity, etc.) and **socio-economic** (like community-voices, market processes, technological possibilities) **factors/drivers in SARD**.

IV. SARD-M Policy Assessment in Bhutan

To reflect on the extent and ways in which development and natural resource policies of the Royal Government of Bhutan, address the issues and approaches of SARD-M, the study team selected the subject of **Land Use Policies**. To put the features of land policies, in historical and contemporary contexts, the assessment devotes some space to historical development perspective. In here, the study alludes to concept of "Gross National Happiness (GNH)", which has several commonalities with issues focused by SARD-M.

This is followed by discussion of land use policies and policy adjustments, specifically in the context of emerging problems such as rising pressure on land, land use intensification and competing claims on space through infrastructure development.

An important thrust is on land policies for three important sectors, namely agriculture, forest and pasture, though the other policies complementary to the three sectors are also alluded to. The key issues and problems relating to these sectors as well as the key policies (Legislative Acts) about these sectors and their strengths and weaknesses in economic, social and environmental context are highlighted.

1. Specifics about Bhutan

The people of Bhutan have depended for centuries on the environment and natural resources for their livelihoods, culture and well-being. Low population density in the past and isolation from external influences ensured sustainable use and management of natural resources. However, increasing population, commercialization and rapid globalization have triggered a transformation in social values, local institutions and traditional perceptions towards the use and management of resources that demand adjustments in policies and development approach.

With 79% of the population engaged in farming, agriculture forms the main source of livelihood in Bhutan. Land use in Bhutan is predominantly forests (72.5%) and agriculture (7.7%). The pasture and alpine meadows cover 3.9%. From 1958 to 2000, there is an increasing trend in the major land uses - forest, agriculture and pastures. Shifting cultivation, although declining, still forms an important land use within the arable agriculture. Major threats to agriculture include: unclear land use policies leading to unsystematic and arbitrary land use and management; narrow land base for agriculture; human-wildlife conflicts resulting in widespread crop damage; and loss of arable land to urbanization and infrastructure development. In forestry, major issues are increased use and strain on resources, conflict with livestock grazing in the forests, changing social values and traditional institutions in forest management and limited resources and capacity to enforce regulations. In pasture, quality deterioration and low productivity, lack of scientific studies on the impact of forest grazing and unclear rules in community ownership and management of pastures are major challenges.

Tourism in the country is regulated largely by a system of high tariff with the number of tourists averaging about 10,000 per year. So far, the Bhutanese experience with tourism has been largely positive. The tourism policy of the country is centring on environment and culture rather than the accumulation of wealth from the industry. However, on the negative side there is an imbalance of benefits from tourism in terms of geographical regions and the urban versus rural areas. Tourism activities are concentrated in the urban centres and managed by people hired from such centres, with minimal involvement of local people or communities.

2. Historical development perspectives and policies

- Bhutan, a self-contained traditional society, initiated modernisation process with first FYP in 1967, with initial focus on infrastructure building, health care and facilities.
- Adopted a “middle path approach to development” gradually leading to the concept of “Gross National Happiness (GNH)”.
- ‘GNH’ - still being fully operationalised - focuses on sustainable and equitable development, preservation and promotion of Bhutanese culture, environmental conservation and promotion of good governance.
- SARD-M and GNH have many commonalities.

3. Development and demography-led pressures on natural resources: resource degradation

- Increased population, urbanization, industrialization
- Crop intensification, slope cultivation, infrastructure development, chemical use, etc. causing land degradation
- Competing uses of land and water

4. Land use policies and policy adjustments: Three dominant land uses and their problems

A. Agriculture and horticulture (wetlands, dry lands, *tseri* or shifting cultivation, orchards and vegetable gardens)

Key problems relating to agriculture are:

- No clear land use policy leading to unsystematic and arbitrary land use/management
- Narrow land base for agriculture and horticulture and further loss of arable land to urbanization and infrastructure
- Human-wildlife conflicts, crop damages, farmers deserting land
- Scarcity of farm labour

B. Forests (largest land use covering 72.5% of land area)

Key problems relating to forest are:

- Population growth and demand pressure on forests
- Annual loss of forest area (3712 acres) due to mining and infrastructure development
- Potential negative impact of animal grazing in forest areas
- Changing social values/perception/institutions for forest management
- Lack of capacity to enforce regulations due to insufficient personnel, information and resources

C. Pastures – range lands, forest lands used for grazing, improved pastures

Key problems relating to pasture/grazing lands are:

- Productivity and product-quality depletion
- Lack of scientific studies on impacts of grazing in forest
- Scarce land and farmers’ reluctance to invest in pastures
- No clear rules on community ownership and management of pastures

5. Inventory of legal frameworks related to land use

Important legislations, enforced and yet to be enforced, relating to both agricultural (rural) and non-agricultural land uses include:

- Land Act, 1979
- Forest and Nature Conservation Act, 1995
- The Bhutan Municipal Act of 1999
- The Road Act of Bhutan
- The Livestock Act of Bhutan, 2001
- Mining and Mineral Management Act, 1995
- The Forest Policy of 1974 and 1995
- The Pasture Policy, 1996 (draft)
- Land Compensation Rate, 1996
- Guidelines for Land Acquisition and Allotment, 2005
- Social Forestry Rules, 2000
- Environment Assessment Act, 2000

6. Policies relating to three dominant rural production sectors - agriculture, forest, and pasture, the three key thrust areas of the assessment

Out of the long inventory of legislative provision covering about 10 activities/resource use systems we focus on three namely: agriculture, forest and pasture policies. Their strengths and weaknesses are presented in social, economic, ecological and institutional context. The assessment is based on a literature review as well as interactions with government agencies and the communities.

Table 1: Agricultural Land Policies - The Land Act of the Kingdom of Bhutan, 1979

| | Strengths | Weaknesses |
|----------------------|---|--|
| Social | <ul style="list-style-type: none"> ▪ Protection of agricultural land and ownership by rural households ▪ Upper land ceiling of 25 acres to maintain equity | <ul style="list-style-type: none"> ▪ Insecure tenure for dry land and <i>tseri</i> (shifting cultivation) land ▪ Government retains rights to take over land for its purposes |
| Economic | <ul style="list-style-type: none"> ▪ Emphasis on food security | <ul style="list-style-type: none"> ▪ Not conducive for commercial agriculture as land market is highly regulated ▪ Poor linkage to market conditions and realities |
| Ecological | <ul style="list-style-type: none"> ▪ Strong emphasis on conservation ▪ Promotion of integrated soil fertility and pest management and rational use of chemical | <ul style="list-style-type: none"> ▪ Land use not according to land capability and too biased towards forest cover ▪ Increasing fallow land and decrease of agricultural land in favour of forests |
| Institutional | <ul style="list-style-type: none"> ▪ Integrated approach to land use between agriculture, livestock and forestry ▪ Only the King has authority to allot land to the landless and thus reduces abuse | <ul style="list-style-type: none"> ▪ Poor coordination and implementation of the integrated approach ▪ Poor understanding of policies by people and government agencies |

| | |
|---------------------------------------|---|
| Opportunities for intervention | <p>To provide inputs from the study to the ongoing revision of the Land Act by the Ministry of Agriculture with respect to the following elements:</p> <ul style="list-style-type: none"> ▪ Conversion of suitable land for agriculture and other uses based on land capability assessments ▪ Ban on conversion of paddy land for other uses as dictated by land market and opportunities ▪ The compatibility between land ceiling and land market demands and free market economic opportunities ▪ Strengthen coordination between agencies involved in land administration and land use including urban and rural sectors |
|---------------------------------------|---|

Table 2: Forest Land Policies - The Forest and Nature Conservation Act, 1995

| | Strengths | Weaknesses |
|---------------------------------------|--|---|
| Social | <ul style="list-style-type: none"> ▪ Equal access for minor forestry products to all rural households (grazing, fodder, leaf litter, dry firewood, bamboo, etc.) ▪ Strong measures for protecting wildlife | <ul style="list-style-type: none"> ▪ Forestry officials seen as a policing force rather than a service agency; increasing resentment towards forestry officials ▪ Increasing conflict arising from depredation of livestock and crops by wildlife |
| Economic | <ul style="list-style-type: none"> ▪ Emphasis on protection of forest cover and recognition of indirect benefits from hydropower, tourism, etc. ▪ Strong regulation of timber production and marketing to prevent corruption | <ul style="list-style-type: none"> ▪ Economic benefits from forest products like timber limited to government and influential individuals ▪ Poor generation of income from forests for communities and lack of incentives to manage forests |
| Ecological | <ul style="list-style-type: none"> ▪ Strong emphasis on conservation and increase in forest cover (presently over 72% of total geographical area) ▪ Strong measures for conserving the environment including floral and faunal biodiversity | <ul style="list-style-type: none"> ▪ Land use not according to land capability and too biased towards forest cover ▪ Monoculture of aggressive forest species dominate and susceptible to forest fires and habitat quality degradation |
| Institutional | <ul style="list-style-type: none"> ▪ Effective protection mechanisms – command and control system ▪ Community and private forest ownership recognized as a policy | <ul style="list-style-type: none"> ▪ Highly protection and policing orientated forest department; poor orientation to community services ▪ Poor understanding of the policies and lack of will to implement the CF and PF programmes |
| Opportunities for intervention | <ul style="list-style-type: none"> ▪ To clarify the contradictions between the Forest and Nature Conservation Act and Land Act ▪ To implement the community (CF) and private forestry (PF) programmes in letter and spirit ▪ To strengthen the capacity of the forestry department in implementing CF and PF programmes | |

Table 3: Grazing Land / Pasture Policies - Draft Pasture Policy

| | Strengths | Weaknesses |
|----------------------|--|---|
| Social | <ul style="list-style-type: none"> ▪ Promotes redistribution of grazing lands to poor households ▪ Recognises traditional grazing rights | <ul style="list-style-type: none"> ▪ Mechanism to acquire grazing rights unclear and resulted in huge financial compensation to few individuals ▪ Poor understanding of the relationship between grazing land use and rights, and influence of absentee landlords ▪ Does not recognize special needs of different ecosystems |
| Economic | <ul style="list-style-type: none"> ▪ Enables increased income from livestock production through improved fodder production ▪ Promotes high productive livestock breeds | <ul style="list-style-type: none"> ▪ Sufficiently suitable land not available for pasture improvement ▪ Poor linkage with markets ▪ No tangible benefits to pastoralists in high regions |
| Ecological | <ul style="list-style-type: none"> ▪ Reduced grazing pressure on forests ▪ Reduced migration of livestock and depredation by wildlife ▪ Ban on forest fire increased vegetation cover | <ul style="list-style-type: none"> ▪ Forested areas converted to pastures leading to deforestation ▪ Increased damage to crops by wild herbivores ▪ Mono-culture of unproductive species and reduced grazing area |
| Institutional | <ul style="list-style-type: none"> ▪ Promulgates coordinated allotment of grazing lands among various agencies ▪ Good technical know-how available for pasture improvement | <ul style="list-style-type: none"> ▪ No recognition of traditional institutions and use of top-down approach ▪ Poor coordination and implementing capacity ▪ No cooperation among agencies to address the issue |

| | |
|---------------------------------------|--|
| Opportunities for intervention | <ul style="list-style-type: none"> ▪ To conduct a thorough review of physical availability of grazing lands, their use rights and management systems ▪ To define and demarcate various types of grazing resources and develop appropriate strategies for their use ▪ To draft a new pasture policy that recognizes the traditional rights and the agro-ecological variations and production potential based on land use capability and future market trends |
|---------------------------------------|--|

7. Process for policy design and implementation

- The assessment outlines some structural aspects of policy formulating mechanisms, including:
 - The evolution of governance institutions at different levels
 - The government organization – ministries/departments and other agencies.
- Decision process for land use changes involves the following:
 - Key basic decision on land use changes are made by the Committee of Council of Ministers (CCM)
 - Land use/transfer/acquisition decisions are made in keeping with specific legislation
 - Specific multi-sectoral National Committees oversee the proposed changes in land use.

8. Land use policy impacts and gaps

The land use policies indicated and implemented through the above process had the following indicative impacts:

- Agriculture: self-sufficiency of food production (rice, maize, potato) and food security
- Horticulture: Export of products expanded; production of vegetable crops-diversification increased
- Resource conservation: Progressed through terracing, contour bunding, wetland protection, etc.; forest protection also enhanced
- Withdrawal of subsidies on pesticides, promotion of IPMDP to help in environmental protection.

9. Gaps

- Development efforts concentrated on well-endowed areas; regional development uneven
- Remote areas and poor bypassed by development interventions.

10. Conclusions/Recommendations

Policies

- GNH provides a good framework for SARD-M in Bhutan; its concrete operationalisation will be useful.
- Development of integrated framework for land policies/programme will help better identify constraints and opportunities to be addressed through SARD-M components.
- More systematic approach to policy rather than largely ad-hoc approaches is required.

Institutions

- Policy-formulation capacity needs to be strengthened.
- Enhancing capacities and internal coordination between public agencies/departments should get high priority.

Processes

- For sound and systematic policy formulation, a strong and comprehensive database should be created, which is currently missing.
- Upgrading of local/grassroots level awareness and capacity building for SARD is required.
- Involvement of local stakeholders/communities through a bottom-up approach to policy-programme formulation and implementation can be strongly recommended.

V. SARD-M Policy Assessment in China (Sichuan)

1. Specifics about China

In the past two decades, China has witnessed rapid economic growth. Its vast rural mountain areas, however, are generally marginalized from this development process. Concomitance of small modern urban areas and vast undeveloped rural areas is one of the commonest characteristics of China. Since the economic reformation of the 1980s, income differences between urban and rural areas have become bigger and bigger. In 1985, for example, the ratio was 1.6 but increased to 2.5 in 1998. The ratios from 1999-2001 were 2.6, 2.8 and 2.9 respectively, and in the last 3 years, the ratio has further increased to around 3.0. In the last ten years, the net income growth rate in urban areas was about 10% on average, but was only 4.5% in rural areas.

With the increasing disparities between urban and rural areas, the rural mountain areas are suffering from low productivity and efficiency in agricultural production, poor social services, and low per capita income. In the past decades, enormous efforts, supported by a range of policies, have been made to address these problems, known as San Nong Issues, but the results have been limited.

Mountainous areas (including hilly and high plateau areas) account for 70% of China's total land area and are inhabited by more than half of its total population. Compared to the rural plains and lowlands, mountainous areas are generally marginalized from the development process. Across the country, per capita GDP of mountainous areas is 35% less than that of low land area (Chen et al. 2003). The per capita GDP in the western mountainous area is only 2639 RMB (330 USD) on average, and is only 39% of that in the eastern mountainous area. Furthermore, in the 592 officially recognized "poverty counties", over 80% are located in mountain areas. In addition, most of the poverty population (those with annual net income less than 82 USD, about 30 millions in China) and low-income population (those with annual net income less than 125 USD, about 60 millions in China) live in Mountain area.

2. Background: Historical development perspectives changing policy contexts

The China policy assessment first presents an overview of governments changing approach and policies towards agriculture and the rural sector (since early 1950s to 2003) in the whole country, which equally applies to Sichuan. The policies have shifted from being largely unfavourable to agriculture to more pro-agriculture. This was a product of specific strategies of China favouring urban industrial sectors. In due course, the need for favourable treatment of agriculture, led to policy programme shifts. Details on the changing focus of rural and mountain areas during different periods/phases are given below:

- **1950 – 1977: Agriculture sub-servant to industrialization**
 - Terms of trade were deliberately kept against agriculture/rural areas; rural to urban migration was prevented; agriculture to primarily serve industry's needs.
 - Government decided the choice of agricultural products and pricing; followed urban biased (favoured) policies.
 - Consequences of the above: impeded rural development, growth of rural urban inequity and extreme rural poverty; low motivation for development.

- **Late 1970s – 1985: Policy shift favouring agriculture and decentralization**

- Focus on mitigating rural-urban differences/conflicts; meeting increasing agricultural product demands; initiation/testing of decentralization approaches.
- Important examples of policy changes include the adoption of household (production) contract system in place of commune system and liberalization of product markets and freedom for market-focused production decisions by farmers.
- Consequences of the above changes included increased efficiency and productivity of agriculture as well as per capita income; reduced rural-urban disparities; end of previous (commune era) social service system.

- **1985 – 2003: Further liberalization and enhanced focus on market link**

- With enough agricultural products, reformation focus shifted to urban areas.
- Policies for further liberalization of agriculture – agricultural product prices, reduced taxes and subsidies for agriculture and increased investment in agriculture.
- Decentralization of governance and fast growth of urban areas and industry.
- Consequence: Slow growth (even decline) of rural per capita income.

Of late, some new initiatives such as inducing developed/rich counties to help less developed / poor counties are being seen with special attention paid to mountain areas.

3. Selected policy interventions focused on rural/agricultural issues

- **Policy reducing rural tax burden** initiated in 1985:

- *Objectives:* To increase rural incomes and create incentives for agricultural development; to reduce tax burden to 5-8% of per capita rural income;
- Implementation through government supervision;

Consequences/impacts: decentralization causing divergence of interests of higher and local governments; policy implementation without sufficient support from above.

- **Policy promoting rural labour migration** since early 2000s:

- *Objectives:* To reduce surplus labour in rural mountain areas, increase per household income; reduce poverty in rural areas; help the government to use surplus labour for development activities; help farmers keen to move out of low-income/low-profit agriculture;
- *Measures:* To facilitate rural migrants through abolition of restrictions for labour, health facilities, training, legal protection, etc., for labour migrants.

Consequences/impacts

- *Positive impacts:* Over 10 million rural migrants; up to year 2005, around 200 billion Yuan (RMB) capital brought back and about 40 billions reinvested in agriculture or non-farming sector in rural areas, inducing a process of rural transformation.
- *Negative impacts:* Increasing inter-area and inter-household disparities in rural areas; abandoning of farmlands by migrants; disruptions of local development and increase of criminals in urban areas. These impacts are more severe in the case of mountain populations.
- *Lessons:* Imperatives of mountain specificities were not addressed to avoid some of the negative impacts; mountain development policy should be location-specific to take into account mountain diversities; policy implementation should be preceded by indicative impact studies.

▪ **Food for work policy:**

- *Objectives:* To improve rural infrastructure in poor areas while providing employment and food to the poor.
- *Measures:* Provision of government support: funds; technical input (i.e. engineering services and machinery) and construction material; local poor offered work with payment; and villages were made responsible for organizing construction.

Consequences/impacts

- *Positive/impacts:* one of the most successful policy-programme interventions, serving as model for other programmes such as "grain for green project".
- *Negative impacts (weaknesses and lessons):*
 - . Low or passive participation of local farmers in designing of projects
 - . Problems and loss of control over payments
 - . Procedures; forced sharing of investment in projects that benefit others.

4. An illustrative successful case from Songpan county

- *Background:* A key area covering multiple inter-linked aspects (including some covered by SARD-M framework), such as natural resource conservation, high public concern, rural poverty issues.
- *Policy-programme* intervention covering projects such as: "grain for green", forest preservation, farmland improvement, food for work local supervision of implementation, etc.
- *Success factors:* Unified leadership; coordination and clear responsibilities; bottom-up project design; combined resources of local government and higher government; local government with capacity to mobilize resources from higher government.
- *Weaknesses:* Insufficient external input; absence or inadequate monitoring, overlapping responsibilities of government departments, contradictory thrusts of different policies, failure to address mountain specificities and lack of policy studies.
- *Threats:* Dependence on traditional accountability and measurement methods and norms; low policy making and implementation capacity of local government in terms of finance, personnel and know-how; knowledge gap between planning, impact assessment and understanding and use of imperatives of mountain specificities; frequent policy changes, "brain drain" (i.e. better skilled experiences functionaries moving to other areas with better incentives).

5. Institutional structure and processes

Most of the issues alluded and SWOT are rooted in institutional structures and processes as illustrated below:

- The basic governance structure: From central to local as attributes of vertical structure:
 - Centralised governance
 - Principle of unified leadership
 - Principle of lower submit to higher
 - Principle of direct working relation.
- Top-down rural policy making and implementation:
 - a. Central government designs macro-strategies and policies and passes on to provincial government for implementation
 - b. Provincial government develops regional strategies and policies, passes on to prefecture or city governments

- c. Based on regional strategies and policies, prefecture/city government design local policies and passes on to country government, which prepares implementation plan to be passed on to township government and to target groups.
 - Process of policy formulation is a task of central government with input from party committee, people's congress, etc. as well as other internal and external sources.
- Line agencies or government departments (e.g. agriculture, forestry, irrigation, local development, etc.) at different levels implement policy-programme.
- Potentials and constraints to mountain development: Despite changing policies and institutional structures:
 - *Potentialities*: Rich biodiversity, rich cultural diversity and resources, and high potential sectors: hydropower, mountain agriculture, mountain tourism, rangelands, and organic production possibilities.
 - *Constraints*:
 - Low education and new skill levels (reflecting mountain specificity e.g. social marginality)
 - Bad infrastructure and transportation (reflecting inaccessibility)
 - Bad social services (reflecting marginality)
 - Highly variable environment (reflecting diversity)
 - Temporally and spatially unbalance resource availability and distribution (reflecting diversity, marginality)
 - High population pressure and "surplus rural labour"
 - Low capacity of local governments to address mountain development challenges (missing mountain perspective of development designs).
 - The models and strategies that helped China in rapid and high economic development and poverty elimination in plain areas do not work so well in mountain areas. This is primarily because the conventional (i.e. plain focused) strategies are devoid of mountain perspective i.e. understanding and application of imperatives of mountain specificities (fragility, diversity, marginality etc.) while designing and implementing development intervention. This aspect is now getting increasing attention, including under SARD-M.
 - Provincial government and prefecture/city government should influence SARD-M strategies rather than making small changes to policy-programme structures.

6. Integrated view on rural and mountain development policies: SWOT (Strengths, Weaknesses, Opportunities and Threats of policies)

Strengths

- Strict governance structure and unified leadership have helped to realize high efficiency in policymaking and implementation.
- Emerging integrated strategies and policies to address concerns about production, social and economic development and environment.
- Focus on rural and urban complementarities
- Increasing focus on lower level decentralization (much less devolution) is promoted.

Opportunities

- Increasing recognition and priority to rural and mountain development.
- Higher level government are financially more capable of supporting local development.
- Modified governance structure to facilitate direct support for local development.
- New law to institutionalize public policy formulation.
- Democratic development at grass roots level (decentralization, etc.).

Weaknesses/Threats

- Persistence of top-down approaches.

- Missing strategies for local capacity building and involvement in designing interventions.
- Likely emergence of inequities in some contexts.
- Problems of slow policy feedback and laggard policy modification.
- Weak monitoring and evaluation can leave space for creation of local policies that benefit local policy makers.

7. Recommendations

Based on the assessment contents and subsequent interactions during regional workshop on SARD-M, a few issues clearly emerged for attention of the policy makers in China:

Policies

- Promote awareness and use of mountain perspective framework as a tool for designing policies.

Institutions

- Empower mountain people through education and capacity building for identification of their problems and options and negotiating skill.

Processes

- Sensitize sectoral ministries at national and lower levels to include SARD-M as a part of policy development and planning process.
- Study systematically policymaking and implementation processes in mountain areas.
- Conduct institutional analysis and propose recommendations to make local participation possible in policymaking.
- Rationalize resource-allocation for mountains vis-à-vis plains.
- Develop new monitoring and evaluation system especially for local government.

8. Conclusion

Currently increasing emphasis on sustainable agricultural and rural development in China, especially mountain areas, is a part of evolution process. Historically, in industrialization-focused development strategies, agriculture was treated as a source of cheap raw material and input for industries. The policy programmes were heavily biased toward urban areas and the industrial sector. Even the choice of agricultural products and pricing was decided by the state.

In the subsequent periods, especially after 1985, agriculture and rural development received favourable attention. Incentives in terms of reduced agricultural taxes, subsidies and enhanced investment, facilities for agricultural migration, closer links with market etc. were encouraged. However, mountain conditions make it difficult to apply China's conventional growth approaches. Hence, need for changing the approaches and method for which SARD-M framework offers some lead lines. The country is trying the same with visible success as shown by the Sichuan case.

The niche and comparative advantages of rural mountain areas are increasingly recognized. But effective steps to harness them need addressing the institutional problems arising from the present patterns of top-down approach, limited involvement of grassroots level stakeholders in policy-programme designing; limited knowledge, skills and capacities of government machinery and farmers to address the new opportunities and challenges associated with process of SARD-M. The follow-up action should address these problems after setting priorities.

VI. SARD-M Policy Assessment in India (Sikkim)

1. The setting: Indian Himalayas and Sikkim

The case study introduces Sikkim by profiling the Indian Himalaya region and the comparative status of Sikkim. It provides a broad understanding of the situation of different hill states in India vis-à-vis SARD-M. Important aspects of the setting include the following:

- Broad overview of Himalayan states of India and position of Sikkim supported by statistical information.
- With the exception of Himachal Pradesh and a few other pockets, large parts of the mountain region are less developed compared to most parts of the country.
- Agricultural crops and horticultural crops in hills have lower productivity compared to plains. Hence there is no food self-sufficiency through domestic production in hill states.
- Yet, the area under food crops is declining due to a shift towards cash crops and horticulture.
- All hill states have heavy dependence on central assistance (as high as over 90% of the development budget).
- Sikkim, the newest and one of the smaller states, is no exception to the above though it has several unique features that make horticulture as an important sector to help in SARD-M.

2. Specifics about Sikkim

Sikkim a small State in the eastern Himalaya constitutes 0.22 percent of the total geographical area and 0.05 percent of the population of India. Rural population constitutes 89% of total population.

The State has about 15.68% of cultivable area out of the total geographical area of 709,600 hectare. Per capita availability is 0.12 ha of net cultivated area and 0.60 ha of forest area. Land distribution is skewed with small and marginal farmers (less than 2 ha) comprising 70% of farmers but holding only about 28% of the operational area, while 30% of other farmers (semi-medium, medium and large) hold 72% of the operational area. Most small and marginal farmers engage in agriculture as sharecroppers, planting crops of landowners' choice. Land ceiling laws of 1977 and 1978 are still pending for enforcement. Sustainable livelihood of a family of 6-7 members requires at least 2 ha cultivable area in sloped hills. Population has increased from 406,457 in 1991 to 540,851 in 2001 and this growth is also likely to accentuate further the land distribution in Sikkim.

Amongst the Himalayan States, Sikkim has the highest percentage of people below the poverty line (36.6%) and the highest percentage of undernourished people (57%) against the country's 26.1% and 35% respectively. The sloping lands are three to four times less efficient the plains in meeting the caloric and protein needs of their populations and sustain only three to four persons and one cattle head per hectare per annum through crop intensification and diversification, versus nine to ten persons in a plain land. Thus, diversification of subsistence agriculture to high-value horticulture and livestock is on the rise. Fruits, vegetables, floriculture and spice crop other than large cardamoms are cultivated in horti-agri farming systems.

The State and Central Governments have undertaken a number of measures to address problems associated with inaccessibility, fragility, and marginality such as: improving road and telephone connectivities; improving the state of natural resources and regulation of its uses through low intensity and high stability land uses, diversification involving a mix of high and low intensity land uses, a mix of production and conservation measures with low cost, local resource generation, recycling, regulated use, dependence on nature's processes, and

collective measures, different norms for investment to take care of high overhead costs and focusing on vulnerable areas, and people, and their demarginalisation. At the same time, the State has also taken measures to harness its mountains' comparative advantages (cultural and biological diversity, niche markets, and human capital), namely: interlinked diversified production and consumption activities differentiated temporally and spatially for fuller use of environment; need diversified and decentralized interventions to match diversity and harness hydropower and develop ecotourism.

3. Horticulture in Sikkim

Horticulture is a livelihood option with high economic viability and environmental suitability. Horticulture covers 34% of gross cropped area and contributes to 83% of net income from crops.

The range of climatic conditions is favourable for a variety of fruits, flowers, tuber crops, vegetables, aromatic plants for domestic use and export.

Important interventions supporting horticulture are the following:

- Sikkim was declared an organic state, enhancing market value of Sikkim agricultural products.
- Central Ministry of Commerce approved an agri-export zone covering horticultural products.
- There are investments in improving access, market, energy and communications to help development including horticulture enterprises.
- Several anti-poverty programmes are covering small producers, etc.
- The focus on "eco-tourism based green policy" is affecting all developmental activities.
- A policy guideline from Central Planning Commission (1980) on land use is implemented, concentrating horticulture, agri-horticulture, agro-forestry on slopes from 33% to 50%.
- In 1975-76, the Regional Concept of Agricultural Development (specialization) was adopted to harness comparative advantage of crops/horticulture in different agro-climatic regions and sub-regions.
- In 1996, a full-fledged department of horticulture was carved out from Agriculture Department.
- In 2004, a policy resolution was passed for harnessing potential of horticulture and cash crop development in Sikkim.

4. Interventions relating to concerns and thrusts of SARD

- The Sikkim Agricultural Land Ceiling and Reforms Act 1977 and its amendment in 1978, not yet enforced.
- The Agricultural Produce Marketing Act 1993, amended in 2005, and enforced.
- The Sikkim Panchayat Act 1993, to promote decentralization and local participation in development planning and implementation.
- Implementation of the National Agricultural Insurance Scheme.
- Passing of bills in 1997 controlling non-biodegradable garbage for environmental health.
- Temporarily prohibiting cutting, lopping and collection of selected endangered plant/shrub/tree species.
- In 2001, release of two historical documents namely "Human Development Report" and "Sikkim People's Vision" indicating the status and lessons for the future.

5. Institutional arrangements

- At higher level or national level, both in terms funding (e.g. central grants) and technical or advisory inputs (including recommendations of high power expert communities for production, marketing and planning, etc.), the key part of the institutional structure is the central government.
- At State level, the provincial government and its multiple departments develop policies and programme both in keeping with central advice and plans or develop independent initiatives for central assistance and input.
- Though focused on local circumstances (i.e. needs and State's comparative advantage), the policy-programme processes are top-down and do not involve local communities.
- The policy-programmes are guided by positive intentions, but their information and analytical base is not strong.
- For addressing the above problem, the involved agencies are not fully equipped in terms of skills, information and capacities.

6. SARD-M: Field verification and analysis

Micro-level verification of situations² of policy-programme interventions revealed the following:

- Farmers manage their livelihood through cultivation of sloped lands (55%), diversification to high-value horticulture (40%), livestock and off-farm activities (50%).
- About 90% of farmers used self-produced seed due to the low availability of hybrid seeds.
- About 90% of farmers used farmyard manure and rural compost; 40% of farmers trying organic alternatives for their crops.
- Due to ban on grazing in protected/reserved forests, farmers are managing fodder, fuel need from own lands.
- Trend is towards high-yielding milk animals and stall-feeding rather than open grazing.
- Access to services is easier now but the facilities for marketing and processing is poor, affecting diversification towards horticulture/high value crops.
- Pace of village/community development has increased with government policy of decentralization and devolution.
- Farmers have positive response to government's policy decisions, e.g. promotion of horticulture (44%); ban on grazing in forest lands (35%); promotion of organic farming (48%) and floriculture (27%), promotion of village tourism (24%); establishment of agri-export zones (25%).
- Farmers have adopted a regional comparative advantage based crops for high returns, specially horticulture and vegetable farming.

7. Positive impacts of policy-programme interventions

- Diversification led to the transformation of subsistence agriculture towards high-value crops/horticulture.
- Per capita income increased and population below the poverty line declined.
- Both overall and female literacy rate increased.
- Access to infrastructure – road, post office, and electricity increased.
- Human development index and gender development index improved.

² Through questionnaires and interactions involving mainly small and marginal farmers.

8. Gaps and weaknesses

- Continued excessive dependence on development grants from the central government.
- At times, conflict between central government and state government regarding programmes and priorities.
- Interventions in keeping with imperatives of mountain specificities are weak and inadequate.
- Often-long gap between formulation of policies and their enforcement.
- Marketing links and processing facilities for high value products are weak and inadequate.
- Capacities of grassroot level workers, communities and government department do not match with tasks required for SARD-M.

9. Recommendations

Future steps should be focused on harnessing and strengthening the positive aspects covered by (7) and address the weaknesses indicated under (8). In particular, the following may be indicated:

Policies

- Most of the development activities carried out in Sikkim is quite sensitive to constraints and opportunities in mountain areas, but a more systematic understanding and harnessing of mountain specificities should encouraged.
- Effective and equitable market links should get higher priority.

Institutions

- Building local capacities (resources, information and skill improvement to undertake SARD-M.

VII. SARD-M Policy Assessment in Nepal

1. Background and setting

- The study focuses on policies, policy processes and implementation as key drivers of agricultural/rural development in Nepal.
- The efforts and achievement as well as the institutional arrangements since the introduction of development planning, including roles of National Planning Commission, government departments/line agencies at different levels are alluded to.
- Even in the absence of the SARD concept, development planning addressed important aspects focused by SARD (e.g. enhanced agricultural production and its support systems, food security and resource protection, etc.).
- Excessive dependence on donor funding, top-down approach and the lack of explicit consideration of mountain specificities have been the important features of past efforts.
- To reflect on overall approaches, especially policy-programme design and implementation mechanisms the assessment focuses on the **Agricultural Perspective Plan (APP)**, a very systematically prepared agricultural development plan. This could provide a picture of processes and roles of policy-programmes in accelerating agricultural/rural development in Nepal.

2. Specifics about Nepal

Landlocked and mountainous, Nepal has remained one of the poorest countries in the world. A majority of the people still live in rural areas and the country is characterized by extreme inequality in almost all aspects of development, rapid population growth, a fragile environment, chronic poverty and escalating insurgency. All of these have combined to make poverty reduction a very difficult task.

Agriculture contributes to about 40% of the gross domestic product and employs 60% of the labour force. Agricultural labour productivity as measured by GDP per capita is low. During the second part of the 1990s, agriculture was the only sub-sector that had a higher growth rate than in first half of the nineties. This reversal in the growth of agriculture was attributed to favourable weather conditions and overall policy changes in market orientation, participation and decentralization. It should be noted the share of public expenditure in agriculture declined during the period from 15.9% of the total budget in the first half to 11.3% of the total budget during the second half.

Despite low incomes, Nepal has been succeeding in improving some aspects of human development in areas such as the prevalence of underweight children, primary school net enrolment, adult literacy, infant mortality and access to safe drinking water. According to the latest National Living Standard Survey, poverty has also declined significantly from 42% in 1995/96 to about 31 % in 2003/04. (National Planning Commission 2005).

In the context of agriculture and rural development in Nepal, the issue of regional disparities becomes very important. Because of its historic and geographic conditions, Nepal is marked by extreme inequality in almost all aspects of development. (Banskota 2005):

- As a general group cutting across all the regions, those in need of special attention in terms of human development are children, women, *dalits* (untouchables), ethnic minorities (many of whom live in mountain areas), marginal subsistence farmers, agricultural labourers and the urban poor.

- Mountain districts³ of the country, which account for 7.3% of the total population in 2001, need special attention. Within the mountain districts, conditions are relatively poorer in Mid-western and Far-western development zones as compared to other parts of the country.
- Hill districts of Mid-western and Far-western Development Zones are home to 9.81% of the total population, show low levels of development. There are also specific pockets of low human development in the hill regions of Central, Western and Eastern Development Zones.
- Selected *Terai* (i.e. plain) districts in the East, Central, Western, Mid-western and Far-western Development Zones also display low level of human development.

3. Agricultural Perspective Plan

- Guided by a focus on agricultural growth through the harnessing of regional comparative advantage; a special emphasis was placed on high potential areas and new technology packages.
- Promotion of agriculture as an engine of growth and poverty reduction.
- Unlike quite broad/general development policies of the past, the APP was a carefully worked out policy-programme document, including well-worked out timeline.
- Potential and indicators of linking with other initiatives such as 8th Five Year Plan; Poverty Reduction Strategy Paper, and other donor supported plans.
- Target setting for individual activities covering irrigation, fertilizer use, improved seed, roads and electricity, including forestry was attempted.
- Regional focus such as food grains production in *Terai*, livestock production and high-value crops in hills and mountain were emphasized.
- Special focus on agro-business and gender issues.
- Indicative investment needs outlined, indicative potential sources indicated.
- In general, stronger focus on *Terai* (plains) compared to hills and mountains.

4. Summary of performance or mixed impacts

- Despite new developments such as the spread and implications of globalization (e.g. discontinuation of subsidy), spread of insurgency/political conflicts, uncertainties of donor support, and missing coordination of planning and implementing agencies, etc., there has been positive shift in some targeted activities covered by APP.
- Overall agricultural performance was better, livestock products met the targets, livestock products growth was close to 9th plan targets, agro-business/agro-processing expanded that added to employment; agricultural trade with India expanded.
- Economy wide performance in different sectors showed a mixed picture; for environmental aspects: the period is too short to reflect impact (except in activities such as community user group forestry); gender: mainstreaming especially through agro-enterprises not clear; institutional changes: no agrarian reforms; linkages of APP with other institutional interventions: liberalisation, deregulation (particularly under donor pressures) increased.

5. Policy gaps and weaknesses

- After APP formulation, there was a delay of two years before it was implemented.
- Implementation affected by removal of subsidy, liberalization, deregulation (often due to donor pressures).
- Gaps/uncertainties in resource mobilization, including through donor decisions.
- Missing inter-agency coordination affecting ownership and implementation of APP.

³ Administratively, Nepal is divided into 75 districts, which are grouped into five development zones (i.e. Eastern, Central, Western, Mid-western, and Far-western) and three ecological regions: mountain, hill, and *terai*. Mountain districts thus refer to the districts located in the mountain ecological region of the country.

- Excessive donor dependence (expectations and gaps).
- Significant mountain – *Tera*i gaps in perspectives and programmes.

6. Field level feedback/assessment

▪ Knowledge or awareness about APP was limited

- Among organizations responsible for APP.
- Only 25% of the farmer (mostly from mountain and hill areas), knew about the APP.
- 52% and 38% of households learned about the APP from media and extension agents respectively.
- Extent of farmers finding APP useful (45%), very useful (36%), not useful (19%), reflected people's diverse perceptions.

▪ Institutional arrangements

- DDC capacity was insufficient to handle APP.
- Devolution of programme, but not of funds and human resources.
- Low priority to improved seeds; high fertilizer prices (due to removal of subsidy) restricted its use;
- Some agencies not following provisions of decentralization outlined in the Local Self-Governance Act.
- Delivery services and infrastructure building was too slow.
- APP preparation involved largely local expertise in the field with some input from external experts.

▪ People's perspective

- Livelihoods – through food security lacked focus.
- Environmental issues – neglected agro-biodiversity and its harnessing.
- Supporting institutional arrangements – mixed, nothing clear-cut, fairly confusing.
- APP provided a framework under which any intervention in agriculture and related sectors could be covered if needed and supported.
- Agricultural research and development got low priority.
- Too much focus on market and its services.
- Mountain perspective – advocacy without methodology and incorporation of its imperatives in APP interventions and policies.

7. APP as a part of evolving policy process

- Origin of concept was rooted in "Regional development approach" focused by Fourth Five Year Plan and Agricultural Sector Development Strategy (1982, 8th Plan).
- Formulation process of APP: National Planning Commission in lead role, involvement of local technocrats, bureaucrats and donors with limited field visits to verify and support thrust issues/ideas.
- Key attributes: Top-down centre-dominated, public sector and technology-driven programme.
- Missing political commitment.

8. Overall constraining framework

- Governance: Prevailing (unchanged) governance conditions/structure not very satisfactory to meet the operational needs of APP.
- Absence of local leaders and capacities to internalize APP implications.
- No marked improvement in linking people to programmes continued top-down approach.

- Chaotic policy environment: Unstable political scene and accentuating conflict reduced operational mobility of implementers.
- Changes in leadership of programme (e.g. Planning Commission versus Ministry of Agriculture and Cooperation) weakening ownership and execution.
- Common problems (as in the past) such as delays, politicization and political pressures, lack of central responsiveness to district level problems and concerns; bureaucratic norms, motivations and lower capacity to implement programmes.

9. Lessons learned and recommendations

Policies

- Greater sensitivity to mountain specificities/conditions and response to diversity of target locations and target groups.
- Special focus on access problem with focus on multiple means.
- Proper/feasible designing of implementation strategies.

Institutions

- Capacity building at different levels, both government functionaries and community workers.
- Human resource development and women's issues to receive higher priority, especially education empowerment and capacity building.
- Organizational conflict to be replaced by functional coordination and complementarities between different agencies.

Processes

- Required balancing of top-down/bottom-up processes.
- Involvement of local stakeholders in both designing and implementing policy interventions.
- Resource mobilization to reduce donor-dependence hazards.
- Systematic synthesis of experiences of APP focused on specific questions such as what worked, in order to harness benefits as a policy-programme document.